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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001117

SIPDIS

TREASURY FOR OASIA JEFF NEIL USPACOM FOR FPA

E.O. 12958: DECL: 09/11/2013
TAGS: <u>PREL PGOV BM IN</u>
SUBJECT: INDIA'S AMBASSADOR TO BURMA: FINDING A BALANCE
BETWEEN ENGAGEMENT AND DEMOCRACY SUPPORT

REF: BEIJING 12297

Classified By: COM Carmen Martinez for Reasons 1.5 (B,D)

11. (C) SUMMARY: During a September 10 meeting with COM, Indian Ambassador to Burma Rajiv Kumar Bhatia described India's Burma policy as having two pillars: engagement with the regime and support for democracy. India will continue to move forward on both fronts simultaneously, he said, striking what it considers to be an appropriate balance between the two objectives based on India's strategic interests. Bhatia expressed concern about a recent public statement by Indonesian Foreign Minister Wirajuda urging the SPDC to release Aung San Suu Kyi prior to the upcoming ASEAN Summit in Bali, remarking that it would only incite a nationalistic and contrary response from the regime. Further high-level statements certainly would derail prospects for her immediate release, he said. Bhatia views the appointment of General Khin Nyunt as Prime Minister and moves to reconvene the National Convention as positive, stressing that we should not mechanically assume these actions are "more of the same" but rather interpret them as possible indicators of greater flexibility by the SPDC and the start of a phased succession. End summary.

A Two-Pillar Policy

 $\P2.$ (C) The two pillars that form the basis of India's Burma policy are engagement with the regime and support for democracy, said Bhatia. India continues to show its sensitivity to democratic sentiments by pushing privately at the highest levels of the Burmese government for the immediate release of ASSK, dialogue with the NLD, and transition to democracy. Bhatia pointedly noted, however, that what constituted an appropriate balance between the two pillars had to be decided by India according to its strategic interests. Noting that recent high-level Indian civilian and military visits to Burma had been in the pipeline for 1-2 years, Bhatia rhetorically questioned whether they should have been postponed after the 30 May incident and answered "no," as one pillar of India's policy is engagement, afterall. In fact, he said U.S. strategic interests vis--vis Burma, including HIV/AIDS, terrorism, and narcotics trafficking demand continuous engagement with Burma, not alienation. Bhatia described Burma as a country looking for a model, commenting that any path to democracy must be adapted to local circumstances and that India is looking for signs that Burma is committed to its own path, rather than one imposed from outside.

Remarks by Indonesian Foreign Minister "ill-timed" $\,$

13. (C) Bhatia characterized the recent statement by Indonesian Foreign Minister Wirajuda on the need to release ASSK prior to the upcoming ASEAN Summit in Bali as "not especially helpful," arguing that it would incite a nationalistic response from the Burmese government at odds with the objective of securing ASSK's immediate release. Bhatia later commented that the statement "unnerved" him and assessed that any further similar statements by other governments, what he labeled "high-level chatter," would derail any prospect for a good outcome on this issue. In response, COM remarked that continued international pressure was both necessary and effective, noting the regime has taken concrete action in response to international pressure and that during periods of no such pressure, there was no movement at all. Bhatia agreed that pressure on the regime does result in a response, but that it must be calibrated properly, implying both the statement by Foreign Minister Wirajuda and recent U.S. actions had not been (read: sanctions and attention drawn to ASSK's hunger strike).

The National Convention

14. (C) With regard to the seven-point roadmap outlined by Prime Minister General Khin Nyunt on August 30 and recent announcements on reconvening the National Convention, Bhatia said that if the National Convention really is reconvening, the matter should be straightforward. However, there was no real continuity in the make-up of the Convening Commission

and he was hearing a hard-line view from his contacts on the question of whether or not the NLD would be allowed to participate. Nonetheless, Bhatia believed the regime was making an attempt to get the NLD back into the process and that in contrast to the situation 10 years ago, the possibility for flexibility on the part of the SPDC existed. "We should not mechanically assume it will only be more of the same," he exhorted. In Bhatia's assessment, the recent changes are not purely cosmetic and should be viewed with limited optimism, although not interpreted as a signal that democracy is on the way. Bhatia also offered that Khin Nyunt has shown tremendous resilience, moving from the "umbrella boy" of former dictator Ne Win to a "linchpin" in the SPDC.

Engagement "Pillar" appreciated by MOFA

15. (C) During an introductory courtesy call on 15 August, Ministry of Foreign Affairs (MOFA) Director responsible for South Asia U Ye Mying told Pol/Econoffs that India and Burma have a "fine tradition of friendship" and that close relations with its neighbors are the priority for Burma. Ye Mying also noted that in addition to high-level bilateral visits, sectoral exchanges were increasingly institutionalized and of benefit to both sides. In separate conversations with other Indian Embassy officials in late-August and early September, Pol/Econoffs were told that Burma attaches greater importance to the relationship with India than does India, as trade with Burma is only a small part of overall Indian trade and that while bilateral mechanisms for cooperation have had some successes, they generally have provided forums for discussion and building trust rather than resolving key issues.

Comment: No Desire to Tip the Boat

16. (C) While the Indian Ambassador remarked several times during the 10 September exchange that India remains focused on the immediate release of ASSK and other political prisoners as well as the quick resumption of dialogue on transition to democracy, he made it clear that India will continue to engage actively with the current government. A spate of recent high-level civilian and military visits reinforces this message and suggests that like China, India does not intend to back away from the current regime and views as counterproductive what it considers to be increased international pressure and attempts to isolate the regime. Our interlocutors at the Indian Embassy tell us that the insurgency issue on the Indo-Burmese border is the most difficult bilateral issue now confronting the two countries, and India does not want to take any action on Burma's domestic political situation that could derail progress on this border problem. While India's two pillar approach may serve U.S. interests in terms of providing a counterbalance to China's increasing influence in Burma, we recommend that we enter into a dialogue on Burma with New Delhi that parallels our dialogue with Beijing (reftel). End comment. Martinez